



Louisiana Housing Corporation

The following resolution was offered by Board Member Michael L. Airhart and approved by Board Member Ellen M. Lee:

RESOLUTION

A resolution approving staff's recommended strategies for awarding Louisiana Housing Corporation (LHC or Corporation) HOME Investment Partnership Program 2015 Community Housing Development Organizations (CHDO) Round 2 Notice of Funding Availability (NOFA); and providing for other matters in connection therewith.

WHEREAS, the Corporation has approximately \$2,000,000 in HOME funds available to Community Housing Development Organizations; and

WHEREAS, Corporation staff has recommended an initiative to allocate the HOME funds that promotes maximum utilization of the available funds giving priority to CHDO sponsored projects that: 1) Promote development of affordable housing through the development of both homeownership and rental units; 2) Leverage the Corporation's funds; and 3) Develop a plan for the reuse of awarded HOME funds; and

WHEREAS, Corporation staff has recommended waiving the board approved policy that limits the awarding of soft funds to multi-family developments to developments which also receive an allocation of 4% Low Income Housing Tax Credits (LIHTCs) and approval with subsequent closure of Tax Exempt Bonds due to the inability of approved CHDOs to utilize 4% LIHTCs; and

WHEREAS, The Board of Directors of the Corporation desires to approve the recommendation of staff and to authorize and direct staff, and counsel to design the terms, conditions and parameters of such initiative and to implement the same through a Notice of Funding Availability (NOFA) for the allocation of HOME funds; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors (Board)
of the Louisiana Housing Corporation, that:

SECTION 1. The terms, conditions and parameters for awarding HOME funds to CHDO sponsored projects are hereby adopted and approved by the Board and will be contained in a NOFA based on staff's aforementioned recommendations.

SECTION 2. The Board hereby grants a waiver of the policy that limits the awarding of soft funds to multi-family developments to developments which also receive an allocation of 4% Low Income Housing Tax Credits and Tax Exempt Bonds for the proposed awarding of HOME funds as described above to be contained in the upcoming NOFA.

SECTION 3, The Corporation staff and legal counsel are authorized and directed to prepare the forms of such notices, documents and/or agreements as may be necessary to implement the strategies described in this resolution and Draft NOFA.

SECTION 4. The Chairman and Interim Executive Director of the Corporation are hereby authorized, empowered and directed to execute any forms and/or documents required to be executed on behalf of and in the name of the Corporation, the terms of which are to be consistent with the provisions of this resolution as approved by counsel.

This resolution having been submitted to a vote, the vote thereon was as follows:

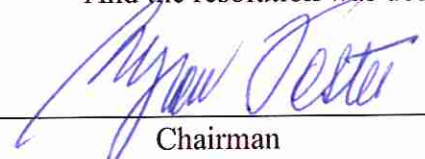
YEAS: Mayson H. Foster, Malcolm Young, Jr., Michael L. Airhart, Dr. Daryl V. Burckel, John N. Kennedy, Ellen M. Lee, Willie Spears.

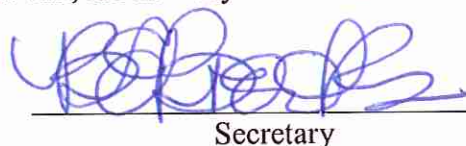
NAYS: None.

ABSENT: Larry Ferdinand, Matthew P. Ritchie, Guy T. Williams, Jr.

ABSTAIN: None.

And the resolution was declared adopted on this, the 25th day of November 2015.


Chairman

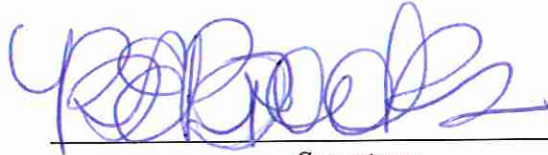

Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Directors of the Louisiana Housing Corporation (Board), do hereby certify that the foregoing two (2) pages constitute a true and correct copy of a resolution adopted by said Board on November 25, 2015, "A resolution approving staff's recommended strategies for awarding Louisiana Housing Corporation (LHC or Corporation) HOME Investment Partnership Program 2015 Community Housing Development Organizations (CHDO) Round 2 Notice of Funding Availability (NOFA); and providing for other matters in connection therewith."

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Corporation on this, the 25th day of November, 2015.



Secretary

(SEAL)

**LOUISIANA HOUSING CORPORATION
HOME INVESTMENT PARTNERSHIP PROGRAM
2015 CHDO Round 2
NOTICE OF FUNDING AVAILABILITY
RELEASE DATE: November 13, 2015**

The Louisiana Housing Corporation (LHC or Corporation) hereby releases this Notice of Funding Availability (NOFA) for the Preliminary Commitment of \$2,000,000 of HOME Investment Partnership Program funds (HOME Funds) to be used to implement the **CHDO Round 2 NOFA**.

The LHC is implementing the **CHDO Round 2 NOFA** in order to address a portion of the unmet housing needs of the state by soliciting qualified CHDOs interested in undertaking affordable Homeownership and Rental Development across the state (but within their previously defined service areas) with emphasis in small cities and rural parishes. Interested parties will submit applications to carry out all phases of development which includes the planning, program administration, program documentation, applicant intake, financing, acquisition, rehabilitating, and/or construction necessary to receive HOME Funds.

The NOFA and applications will be posted to the LHC website no later than 4:30 P.M. C.S.T. on November 13, 2015. LHC requires all potential applicants to attend the **CHDO Round 2 Orientation Workshop**, scheduled for December 4, 2015, at 10:00 A.M. C.S.T, at the headquarters of the Louisiana Housing Corporation (2415 Quail Drive, Baton Rouge, Louisiana 70808). Failure to attend the mandatory workshop will result in an automatic disqualification. To receive credit for attending the workshop the CHDO must have a regular employee (full or part time) attend the workshop and sign in. A consultant may not represent the CHDO unless the CHDO has had its designation for less than one year. A consultant must be under contract to the CHDO at the time of application and must sign in as representing the CHDO at the workshop.

All applications shall be received no later than 4:00 P.M. C.S.T. on January 15, 2016. Successful applicants will be awarded HOME Funds no later than February 2016. All HOME Funds will be made available in the form of a loan.

GOALS AND OBJECTIVES

The **CHDO Round 2** NOFA is designed to address a portion of the unmet housing needs of the state. The goal of this initiative is to use HOME Funds to expand the supply of affordable housing in areas where LHC serves as the Participating Jurisdiction (PJ). The objective of this initiative is to:

- Promote development in small cities of less than 25,000 within which the demand for affordable rental housing or housing for first-time homebuyers in the market is not being met with conventional financed housing developments.
- Provide funds to Community Housing Development Organizations to expand their capacity to provide housing services and in accordance with the requirements of the HOME Investment Partnership Act.

All developments funded through this NOFA must benefit very low and low income persons. HUD defines “very low income” residents as those families whose total household income, adjusted for family size, does not exceed 50% of the area median income. HUD defines “low income” residents as those families whose total household income, adjusted for family size, does not exceed 80% of the area median income.

FUNDING

A total of \$2,000,000, with a maximum per project award of \$625,000, in HOME Funds is being made available through this NOFA, pursuant to the Cranston-Gonzales National Housing Act of 1990 HOME Investment Partnership Funds and in accordance with the 2015 Louisiana Consolidated Plan.

Terms of the loan will be based on LHC underwriting. For homeownership project HOME funds must be repaid through the proceeds of the sale of the housing units at the time of closing absent an approved CHDO Proceeds Reuse Plan.

An applicant receiving HOME Funds under this initiative will be expected to carry out all phases of planning and/or construction necessary to successfully implement and complete the HOME funded activity in each category. These requirements include ensuring compliance with federal overlay and administrative requirements. These responsibilities may include, but are not limited to:

- Implementing the project or program activity as proposed in the HOME applications;
- Ensuring compliance with reporting requirements;

- Managing fund disbursement and accounting;
- Preparing work specifications;
- Conducting inspections;
- Affirmatively marketing;
- Program administration;
- Program documentation;
- Applicant intake; and
- Ensuring that all HOME requirements are met for the entire affordability period applicable to the project.

ELIGIBLE USES

HOME Funds awarded under this NOFA will only reimburse costs incurred to develop a project. No HOME Funds will be advanced to reimburse a project cost unless the electronic HOME Funds Requisition Form, back-up invoices and receipts or AIA is submitted and approved. No funds will be disbursed until all loan documents are signed and environmental conditions are satisfied.

The purchase of land is an eligible use of funds under this NOFA; however, in no case will the entire award to an activity under this NOFA be allowed for **only** the acquisition of land. Construction/Rehabilitation costs must be included as a budgeted item and must be drawn on a Pari passu basis.

Development Subsidy – A development subsidy may be included in the application, however, to be funded a before and as built appraisal must be included with the application. Required Development Subsidies of greater than 15% will not be considered.

INELIGIBLE USES

HOME Funds cannot be used to purchase land from a person or entity that has an identity of interest with the applicant.

Properties previously financed with HOME Funds during the affordability periods cannot receive additional HOME assistance unless assistance is provided within the first year after project completion.

HOME Funds may not be used for development, operations, or modernization of public housing financed under the 1973 Act (Public Housing Capital and Operating Funds).

HOMEOWNERSHIP DEVELOPMENT

Housing that is for acquisition by a family must meet the affordability requirements of this section:

1. The housing must be a 1-unit single-family dwelling
2. The housing must be modest housing as follows:
 - a. In the case of acquisition of newly constructed housing or standard housing, the housing has a purchase price for the type of single family housing that does not exceed HUD HOME Value Limits.
 - b. In the case of acquisition with rehabilitation, the housing has an estimated value after rehabilitation that does not exceed the HUD HOME Value Limits for the area.
3. The sale price is within the HUD HOME Value Limits of the area.
4. The housing must be acquired by a homebuyer whose family qualifies as a low income family and the housing must be the principal residence of the family throughout the period of affordability.

RENTAL DEVELOPEMENT

Rental housing must meet the affordability requirements of this section:

1. Rent must not exceed 30% of the adjusted income of a family whose annual income equals 65% of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit. HUD provides annual HOME rent limits that include average occupancy per unit and adjusted income assumptions.
2. In rental projects with 5 or more HOME-assisted rental units, 20% of the HOME-assisted units must be occupied by very low income families and meet 1 of following rent requirements:
 - a. The rent does not exceed 30% of the annual income of a family whose income equals 50% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD provides the HOME rent limits which include average occupancy per unit and adjusted income assumptions.
 - b. The rent does not exceed 30% of the family's adjusted income. If the unit receives federal or state project-based rental subsidy and the very low income family pays as a contribution toward rent not more than 30% of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the federal or state project-based rental subsidy program.

MANDATORY AND THRESHOLD REQUIREMENTS

MATCHING/LEVERAGING CONSIDERATION

All projects must provide a minimum of 15% from match or leveraging of the total development costs from sources other than the HOME program. If the match/leverage is provided by an entity with an identity of interest with the project it must be in the form of a cash contribution. No project will be funded if the only funding source is HOME.

FINANCIAL SUSTAINABILITY

Applicants unable or unwilling to provide the required information indicated below, Performance Bond or Minimum Net Financial Resources, will not be funded under this NOFA.

PERFORMANCE BOND

Each funded application that receives an award of HOME Funds will be required to post a performance bond during the period of construction sufficient to cover the HOME award or provide proof of minimum net financial resources as indicated below.

MINIMUM NET FINANCIAL RESOURCES

In lieu of a performance bond, demonstration of minimum net financial resources is an option for a person or entity alone or in combination with other persons or entities having net assets equal to the applied for HOME Loan and who has unrestricted liquid assets at least equal to 10% of the applied for HOME Loan. Applicants must provide proof through submittal of certified audited financials.

CROSS CUTTING FEDERAL REQUIREMENTS

All applicants shall comply with the following:

1. Environmental clearance;
2. Feasibility and viability; and
3. Market studies.

THRESHOLD REQUIREMENTS

1. Separate applications shall be submitted for each project (only one application per project). Projects that combine Homeownership Development and Rental Development will not be considered.
2. A complete project budget identifying and supporting all sources and uses.
3. No project will be funded if the only funding source is HOME.
4. Applicants must provide the required performance bond or provide proof of minimum financial requirements.
5. Homeownership Development project applicants must certify that they have a waiting list of potential homebuyers for the units proposed. Homeownership project applications without the certification will be disqualified.
6. Third-party maps shall be provided to sufficient scale and detail to provide proof of the following:
 - a. Projects are not located within 300 feet of a railroad; and
 - b. Projects are not located in a floodway.
7. Projects with more than 1 environmental issue will result in the award being canceled.
8. Applicants shall prove that water and sewer service will be provided upon completion by submitting the following:
 - a. Letter from the local service provider; or
 - b. Architectural submission.

CAPITAL NEEDS ASSESMENT AND ESTOPLE LETTER-REHABILITATION PROJECTS ONLY

A Capital Needs Assessment must be submitted at the time of application for all rehabilitation projects. An independent, experienced third party must perform the Capital Needs Assessment and this party cannot have a financial interest in ownership of the development (i.e. not a member of the development team). It is required that a licensed professional, such as an engineer/architect, perform the assessment and supply the LHC with their professional opinion of a property's current overall physical condition. This includes the

identification of significant deferred maintenance, existing deficiencies, and material building code violations that affect the property's use and its structural or mechanical integrity.

The assessment shall include a site visit and physical inspection of the interior and exterior of units and structures, as well as an interview with available on-site property management and maintenance personnel to inquire about past repairs/improvements, pending repairs and existing or chronic physical deficiencies. The assessment should include an opinion as to the proposed budget for recommended improvements and should identify critical building systems or components that have reached or exceeded their expected useful lives. The assessment should also include recurring probable expenditures for significant systems and components impacting use and tenancy, which are not considered operation or maintenance expenses, in order to determine the appropriate replacement reserve deposits on a per unit per year basis.

The following components should be specifically examined in the Capital Needs Assessment:

1. Site, including topography, drainage, pavement, curbing, sidewalks, parking, landscaping, amenities, water, sewer, storm drainage, gas, and electric utilities and lines;
2. Structural systems, both substructure and superstructure, including exterior walls and balconies, exterior doors and windows, roofing system, and drainage;
3. Interiors, including unit and common area finishes (carpeting, vinyl tile, plaster walls, paint condition, etc.), unit kitchen finishes and appliances, unit bathroom finishes and fixtures; and common area lobbies and corridors;
4. Mechanical systems, including plumbing and domestic hot water, HVAC, electrical, and fire protection; and
5. Elevators (if applicable).

Estoppel Letter – For rehabilitation projects that do not involve acquisition and do involve the rehabilitation of property whose ownership has an identity of interest with the applicant an Estoppel letter must be provided for all debt holders.

CHANGES TO PROJECT AFTER AWARD

Any changes to a project after the notice of award must be approved in advance by the Corporation in writing. Changes made without the prior written approval of the Corporation will result in the cancelation of the project and the recapture of all awarded funds.

DISBURSEMENT/ACTIVITY DEADLINES

Awards under this NOFA will impose deadlines for committing and expending funds based upon the activity proposed and other information provided in the application. Any funds not committed or expended within these timeframes will be recaptured by the Corporation.

1. Projects that have been awarded HOME Funds for which no HOME draws have been disbursed within 12 months from date of award or for which construction has not begun within 18 months from the date of award will be cancelled automatically.
2. All projects must be completed within 4 years from date of award or all HOME Funds shall be repaid to LHC.
3. Homeownership Projects must be sold within 9 months from construction completion or converted to permanent rental.
4. Repayment of the HOME Funds will be due upon the sale of the individual homes but no later than 9 months from construction completion.
5. Rental Projects must have all assisted units initially leased to an eligible tenant within 18 months from date of construction completion or all HOME Funds which were a part of the project must be repaid to the LHC.
6. HOME awards may be terminated at any time prior to the award expiration date due to the absence of program/project productivity. Funds advanced prior to the termination of a project (whether voluntary or involuntary) must be repaid to the LHC.

COMPLETED PROJECTS

Projects are considered complete only after all units identified in a single project are at 100% construction complete and occupied by an eligible tenant or sold to an HOME eligible buyer.

REGULATORY AUTHORITY AND REQUIREMENTS

All applications under this NOFA are governed by the state HOME regulations and the federal Final HOME Rule dated July 24, 2013, as amended. If the federal or state statutes or regulations governing the program or its funding are modified by Congress, the Department of Housing and Urban Development (HUD), the state legislature, or LHC, the changes may become effective immediately and apply to the activities funded under this NOFA.

All HOME Funds must be spent in accordance with HOME Program rules and regulations and on eligible HOME activities.

All dwelling units assisted under the HOME Program shall comply with the applicable federal, state, and local codes and ordinances, the rules and regulations for affordable housing set forth at 24 CFR 92.254, Subpart H--“Other Federal Requirements” (such as Affirmative Marketing, Lead-Based Paint Poisoning Prevention Act), and the rules and regulations set forth in 24 CFR Part 92 including Model Energy Code.

This NOFA does not include the text of all applicable regulations that may be important to particular projects. For proper completion of the application, LHC strongly encourages potential applicants to consult the federal HOME Program regulations, and other federal cross-cutting regulations (referred to in Subpart H of the federal HOME regulations). Applicants should also consult the state Uniform Multifamily Regulations (UMRs).

SITE DEVELOPMENT REQUIREMENTS

Pursuant to 24 CFR §92.251, single-family new construction housing that is financed by HOME Funds must meet all applicable local building codes and building and zoning ordinances in effect at the time of project's completion. In the absence of a locally adopted building code, it must meet the 2000 International Residential Code.

AFFORDABILITY REQUIREMENTS

The affordability period for each newly-developed unit is based on the amount of HOME Funds invested pursuant to 24 CFR §92.254. In the event that the housing unit is sold, the Corporation will recapture the shared net proceeds available based on the requirements of 24 CFR §92.254 and the housing unit must be sold for an amount not less than the current appraised value as then appraised by the appropriate governmental authority unless the balance on the loan will be paid at closing.

MINIMUM HOME ASSISTANCE PER UNIT

The minimum HOME assistance amount per unit may not be less than \$1,000.

HOUSING CHOICE OPPORTUNITIES

Projects awarded HOME Funds must comply with Title VI of the Civil Rights Acts of 1964, the Fair Housing Act, Section 504, Executive Order 11063 and HUD regulations issued pursuant thereto so as to promote greater choice of housing opportunities.

UNIFORM RELOCATION AND REAL PROPERTY ACQUISITION ACT

If HOME Funds are proposed to pay for acquisition costs and activities, the Applicant follows the procedures of the Uniform Relocation and Real Property Acquisition Act to acquire the

project site. The procedures must be followed prior to the site acquisition. HOME Funds cannot be used to pay or reimburse an applicant for site acquisitions activities that do not comply with the requirements of the Uniform Act.

DAVIS BACON PREVAILING WAGE RATE COMPLIANCE

If HOME Funds are proposed for rehabilitation and renovation cost activities or new construction of 12 or more housing units, the project budget costs must be based on the prevailing wage residential rates.

UNIFORM PHYSICAL PROPERTY CONDITION STANDARD

Housing that is constructed or rehabilitated with HOME Funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. If there are no such standards or code requirements, the housing must meet the Uniform Physical Property Condition Standard for the entire affordability period.

ACCESSIBILITY REQUIREMENTS

All funded projects must meet the accessibility requirements at 24 CFR Part 8, which implements Section 504 of Rehabilitation Act of 1973 (29 U.S.C. 794) and covers multifamily dwellings, as defined at 24 CFR 100.201, and must also meet the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-3619). These requirements must be met for the entire affordability period.

MANUFACTURED HOME CONSTRUCTION AND SAFETY STANDARDS

Under both Rental and Homeownership Developments, construction of all manufactured housing must meet the Manufactured Home Construction and Safety Standards established in 24 CFR Part 3280. These standards preempt state and local codes covering the same aspects of performance for such housing. These standards must be met for the entire affordability period.

ADDITIONAL CHDO REQUIREMENTS

The Final Rule at 24 CFR Part 92 imposed new requirements on projects that receive funds from the HOME Investment Partnerships Program. Community Housing Development Organizations must demonstrate staff with capacity to undertake the proposed activity. CHDOs may use contracted staff to meet the capacity requirements. Contracted staff must be so contracted for a period of time and not for a particular project.

NOTE: Any changes in staff subsequent to the CHDO's designation must be fully disclosed within the application. See below for a summary of CHDO requirements in the event of changes within the CHDO organization:

STAFF DEVELOPMENT EXPERIENCE

1. Staff classification and documentation – To be counted as staff, the person must be employed by the CHDO, and documentation is needed.
 - a. Full time or part time employment – This would be evidenced by a payroll report or a W-4 or a W-2.
 - b. Contracted staff – This would be evidenced by a “contract” for employment and a W-9 and 1099 (at the end of a year).
2. Relevant development experience – Document the basis for answers to the applicable project type.
 - a. Homeownership Development – Has the staff person been involved in the acquisition, rehabilitation/construction and sale of homebuyer housing? Previous experience purely in counseling, marketing, or financing activities is not sufficient to be considered development experience.
 - b. Rental Development – Has the staff person been involved in the acquisition, rehabilitation/construction and/or ownership/operation of rental housing?

CHDO ORGANIZATION CAPACITY

The LHC must consider the organizational capacity of the CHDO. The LHC will review information submitted to determine if the CHDO has the organizational capacity to undertake an award under the current NOFA. Factors that the LHC will consider include:

1. Organizational structure – Can the current corporation structure support housing development activities, or is there a need for a subsidiary or other organizational structure for future development? Are there operations or activities that need to be organizationally separate from housing development activities and portfolios?
2. Management structure/practices – Does the current management have the ability and capacity to manage additional development activities? Are the corporate lines of authority for development activities clear? Are policies & procedures in place governing development activities?
3. Pipeline/portfolio – What does the CHDO have as its current project pipeline and program responsibilities? Will it be able to handle the additional project proposed? If the organization pursues housing development, what other activities are likely to suffer or not be

able to be pursued due to the effort required for development activities? Does its portfolio of projects/properties evidence competent management and oversight? Do the properties appear to have adequate funding?

DRAFT

APPLICATION SUBMISSION

MANDATORY ORIENTATION WORKSHOP

LHC requires all potential Applicants shall attend the CHDO Round 2 NOFA Orientation Workshop, scheduled for Friday, December 4, 2015, at 10:00 A.M. C.S.T, at the headquarters of the Louisiana Housing Corporation (2415 Quail Drive, Baton Rouge, Louisiana 70808). **Failure of the applicant to attend the mandatory workshop will result in automatic disqualification to apply in this HOME Initiative.** The workshop will cover the requirements of the initiative, including how to submit separate applications and information necessary for successful application submission. The final version of the application will be posted to the LHC website immediately following the workshop.

APPLICATIONS

Separate applications shall be submitted for Homeownership Development and Rental Development.

This NOFA does not commit the LHC to award any contract nor to pay any costs incurred in the preparation or delivery of applications. Furthermore, the LHC reserves the right to accept or reject, in whole or in part, any and all applications submitted, and/or to cancel this NOFA. The LHC also reserves the right to ask for additional information or conduct interviews from/with any applicant and/or all applicants as may be necessary or appropriate for purposes of clarification. LHC reserves the right, at its sole discretion, to suspend or amend the provisions of this NOFA. Any such revisions will be formalized by the issuance of an amendment to this NOFA.

Incomplete applications will not be scored or considered for funding.

Fees

Application Fee	
1 to 4 units	\$100.00
5 to 32 units	\$1,000.00
33 to 60 units	\$1,500.00
61 to 100 units	\$2,500.00
Over 100 units	\$5,000.00

A Market Analysis Fee of \$4,500.00 will be due 10 days post preliminary approval.

INELIGIBLE APPLICATIONS

Applications will be deemed ineligible if any of the following conditions exist as of January 14, 2016:

1. Any person and or entity on the federal debarred list or an organization representing such person or entity is on the list.
2. Any person and or entity that received notice that they are currently out of compliance with LHC regarding annual audits or who are in arrears with other LHC financed projects.
3. Developments proposed by entities that currently have unsold properties funded by LHC HOME Funds.
4. The project has received previous funding or commitment of funding from LHC.

ORDER OF SUBMISSION

Submit 1 original and 3 copies of the application along with 1 electronic copy (USB flash drive) including all required attachments and documentation. The USB flash drive shall contain the application in Microsoft Excel format (2007 Version or above) and all required attachments and documentation for the application in Adobe .pdf format.

The application must be submitted in the following order and style:

1. Application Checklist.
2. Complete hardcopy application with each section and attachments individually labeled and tabbed.
3. Application and attachments on USB flash drive. The USB flash drive shall contain the application in Microsoft Excel format (2007 Version or above) and all required attachments in Adobe .pdf format.

DEADLINE TO SUBMIT

Applications must be received by the LHC, in their entirety, by no later than **4:00 P.M. C.S.T.** on Friday, January, 15, 2016.

WHERE TO SUBMIT

Each application and accompanying documentation shall be submitted in a sealed envelope. The outside of the envelope must be address as follows:

**Louisiana Housing Corporation
Housing Production
2415 Quail Drive
Baton Rouge, Louisiana 70808
Re: CHDO Round 2 NOFA**

Must include: Applicant/Company Name and Return Address

METHODS OF SUBMISSION

Applicants assume the risk of the delivery method chosen, including delivery via private courier or the U.S. mail. Be advised that applications arriving after the 4:00 P.M. C.S.T. application deadline, whether via personal delivery, U.S. mail, Federal Express, UPS, or other comparable method of delivery, will not be accepted for any reason.

IMPORTANT DATES AND DEADLINES

NOFA and application published and posted to LHC website	11/13/2015	4:30 P.M.
Mandatory CHDO Round 2NOFA Orientation Workshop	12/4/2015	10:00 A.M. C.S.T.
Deadline to submit written inquiries to LHC	12/7/2015	4:30 P.M. C.S.T.
Deadline for LHC to post FAQ in response to written inquiries	12/14/2015	3:30 P.M. C.S.T.
Application Deadline	1/15/2016	4:00 P.M. C.S.T.
Award of Applications	2/19/2016	N/A
Written Agreement signed by Applicant and returned to LHC	3/4/2016	4:00 P.M. C.S.T.

NOTE: The LHC reserves the right to revise this schedule. Any such revision will be formalized by the issuance of an amendment to the NOFA.

Written agreements, signed by the applicants, not received by the LHC by Friday, March 4, 2016 at 4:00 P.M. C.S.T. will result in cancellation of the award.

QUESTIONS AND COMMUNICATION

The Corporation will only consider written inquiries from applicants regarding the NOFA. Inquiries should be submitted in writing to HOME@lhc.la.gov by December 7, 2015 at 4:30 P.M. and shall clearly reference the section of the NOFA for which the applicant is inquiring or seeking clarification. An official response to each inquiry, along with the actual inquiry, will be posted by December 14, 2015 at 3:30 P.M. C.S.T., in the form of a Frequently Asked Questions (FAQ) Addendum at <http://www.lhc.la.gov>.

It is the sole responsibility of the applicant to inquire into and clarify any item of this NOFA that is not understood. The Corporation also reserves the right to decline to respond to any inquiry that will cause an undue burden or expense for LHC.

It is the strict policy of the LHC that prospective respondents to this NOFA refrain from initiating any contact or communication, direct or indirect, with LHC staff or members of the Louisiana Housing Corporation's Board of Directors with regard to the competitive selection of

applicants. Any violation of this policy will be considered a basis for disqualification from consideration.

The LHC will produce public records in accordance with LA R.S. Title 44.

DRAFT

DEFINITIONS

The following definitions apply for purposes of this NOFA:

Applicant: The Community Housing Development Housing Organization (including full, part-time and contract employees but not Board members) that is submitting the request for funding and who will act as the owner, developer or sponsor of the project. The applicant must be the controlling entity in the development of the project. As such the applicant will make all development decisions, obtain all financing and assume all risks and rewards associated with being the developer. Consultants may not be considered as an applicant.

Application - A complete application consists of all items required by this NOFA and the electronic excel spreadsheet application. Failure to provide all information request by the NOFA and electronic excel spreadsheet application will result in the application being deemed nonresponsive and it will not be considered. Use of previous versions of the application will result in the application being deemed nonresponsive and it will not be considered. Applications must be received by the LHC, in their entirety, by no later than the time specified in this NOFA or it will be deemed non responsive and will not be considered.

CHDO Developer - CHDO as a "developer" when it (1) either owns a property and develops a project, or has a contractual obligation to a property owner to develop a project; and (2) performs all the functions typically expected of for-profit developers, and assumes all the risks and rewards associated with being the project developer.

For rental housing, the CHDO must obtain financing, and rehabilitate or construct the project. If it owns the property, the CHDO may maintain ownership and manage the project over the long term, or it may transfer the project to another entity for long-term ownership and management. If it does not own the property, the CHDO must enter into a contractual obligation with the property owner. LHC will not make a reservation of HOME Funds to a CHDO for development unless it has determined that the CHDO has staff with demonstrated development experience and the knowledge and skills necessary to undertake the project.

Completed Projects - Projects are considered complete only after all units identified in a single project are a 100% construction complete and occupied by an eligible tenant or sold to an HOME eligible buyer.

Construction Completion - All necessary title transfer requirements and construction work have been performed; the project complies with the requirements of this part (including the property standards under § 92.251); the final drawdown of HOME Funds has been disbursed for the project.

Corporation – The Louisiana Housing Corporation (LHC).

Development Subsidy – Are the funds left in a project (as a grant) which is necessary to cover the difference between the total cost of producing the unit and the fair market value of the property.

Developer's Fee - Compensation to the developer for the time and risk involved to develop the project. It is earned when a project meets the definition of a completed project specified above. For the purposes of Homeownership Development a proportion of the development fee may be earned as each individual unit is completed and sold to eligible homebuyers following all HOME regulations. If the Developer fee is to be paid by sources other than HOME an amount equal to the developer fee will be held for disbursement along with the retainage.

Estoppel Letter - Signed document establishing certain facts which the signing party may not later contradict, dispute, or recant. The LHC required format is included in the application package.

LHC – Louisiana Housing Corporation (LHC or Corporation)

Entity/ Organization – A legal body (non-profit; for-profit, local units of government) that will have legal ownership of the project and property before and after project completion. A developer may contract with an entity or be a part of a development team.

Income Targeting – Not less than 90% of the families receiving tenant based rental assistance (TBRA) are families whose annual incomes do not exceed 60% of the median family income for the area, as determined and made available by HUD with adjustments for smaller and larger families at the time of occupancy or at the time funds are invested, whichever is later or the dwelling units assisted with HOME Funds are occupied by families having such incomes.

Project – A site or sites together with any building (including a manufactured housing unit) or buildings located on the site(s) that are under common ownership, management, and financing and are to be assisted with HOME Funds as a single undertaking located within a 5 mile radius of each other within in a single governmental entity (if located within a city, town, or other similar political subdivision then all sites must be within the same political subdivision for rental projects and within the same parish for homeownership projects. If located outside of a local jurisdiction then all sites must be within the same Parish for both rental and ownership projects. The project includes all the activities associated with the site and building.

Responsible Entity – Any body of general government that has jurisdiction over the area in which a project is located, and exercises authority over land use issues in that jurisdiction (24 CFR § 58.2). Which may include participating jurisdictions, state recipients, or insular areas responsible for conducting environmental reviews.

Rural Parish – A Parish which is entirely defined by USDA as rural.

Small City – An incorporated area with a population of less than 25,000 persons.

Sponsor – Person(s) with respect to the project concerned, having site control (evidenced by a deed, a sales contract, or an option contract to acquire the property), a preliminary financial commitment, and a capable development team.

Substandard Housing - Any housing unit which does not satisfy the Habitability Standards and requires Substantial Rehabilitation.

Written Agreement – The document entered into between the LHC and the applicant for the HOME assisted units that includes, but is not limited to, the terms of funding.

DRAFT

SCORING CRITERIA

CHDO Set-Aside Scoring

The Corporation's goal is to fund \$2,000,000 in projects (\$625,000.00 per project) submitted by CHDO applicants. During this initial scoring phase, CHDOs will compete and receive all applicable points as outlined in the sections below.

POINT CATEGORIES

Proposed projects for Homeownership and Rental Development will be reviewed and scored on a competitive basis relative to the evaluation criteria below.

I. EXPERIENCE AND QUALIFICATIONS

B. CHDOs (60 POINTS MAXIMUM)

CHDO Experience	12 points total	Points are awarded for completing affordable housing projects on time and within budget in the last 5 years (by the CHDO, not other team members). 2 points will be awarded for each project meeting these criteria up to a total of 12 points. To be considered the project must have met the definition of a completed project provided in the definitions section of this NOFA.
If the CHDO is a joint venture, projects will be scored based on the experience of the CHDO. Where partners have approximately equal participation, the individual scores of each partner will be averaged.		

CHDO Capacity and Staffing	24 points total	Points are awarded based on evidence that the lead staff, including the project manager and supervisory staff working on this specific project, proposed to work on the current proposal have the necessary experience, and that the project manager has the necessary time availability.
	<i>(up to 20 points)</i>	<i>20 points may be awarded for staff experience (up to 12 points for contracted staff)</i>
	<i>(up to 4 points)</i>	<i>4 points may be awarded for time availability. Where both staff and contracted staff are used the score will be averaged.</i>
CHDO Financial Strength	24 points total	Points are awarded based on audited financial statements, by an independent C.P.A., from the past 2 years evidencing financial stability and the ability to sustain the costs of effectively following through with the current application. This will be determined by the number, amount and percentage of other funding sources, and dependability of other funding. Percentage of earlier projects showing a positive cash flow position and the amount of available unrestricted cash on hand.

II. PROJECT BUDGET**(MAXIMUM 10 POINTS)**

Applicants will receive either 5 or 10 points depending on the submission.

(EITHER 5 OR 10 POINTS)

Project Budget and Construction Cost Reasonableness	10 points	Project budget is complete and anticipated development costs to include acquisition, hard cost, soft cost; and construction cost that are necessary and reasonable. LHC will conduct a construction cost reasonableness analysis to determine if the proposed budget is within 20% variance.
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III. FUNDING COMMITMENT**(MAXIMUM 20 POINTS)**

Funding Commitments	20 points	Degree to which outside funding has been committed
Fully executed funding commitments, detailing the terms and conditions, must be provided to receive points. Letters of Interest are not sufficient. Letters of commitment must clearly state all conditions and terms of the commitment. Points are awarded based on proportionality of such commitments. If the terms and conditions in the funding commitments are not acceptable to the LHC the funding commitment shall not be considered.		

IV a. LEVERAGING**(MAXIMUM 15 POINTS)**

Percentage of HOME Program Funding Relative to Total Project Costs	15 points	25% or less
	12 points	26% - 50%
	9 points	51% - 75%
	6 points	76% - 85%

IV b. Match**(MAXIMUM 15 POINTS)**

CHDO has contributions from eligible sources that qualify as match under the HOME program. Points are awarded for the percentage of match relative to HOME funds requested.	15 points	75% or Greater
	12 points	Less than 75% but Greater/Equal to 50%.
	9 points	Less than 50% but Greater/Equal to 25%.
	6 points	Less than 25% but Greater/Equal to 12%.

IV c. PROCEEDS REUSE**MAXIMUM 15 POINTS)****Homeownership Development Only**

CHDO has provided an acceptable CHDO Proceeds Reuse Plan that indicates what percentage of original funding will be used to produce additional new units of affordable housing	15 points	Greater than 75%
	12 points	Greater than 50% but less than or equal to 75%
	9 points	Greater than 25% but less than or equal to 50%
	0 points	Less than 25%

V. AVERAGE HOME SUBSIDY PER UNIT (MAXIMUM 20 POINTS)

Average HOME Subsidy per unit	20 points	\$10,000 or Less
	15 points	\$10,001 - \$20,000
	10 points	\$20,001 - \$30,000
	5 points	\$30,001 - \$40,000

VI. PROJECT READINESS & DEVELOPMENT SCHEDULE**(MAXIMUM 10 POINTS)****FOR HOMEOWNERSHIP DEVELOPMENT PROJECTS ONLY:**

Readiness to Proceed	2.5 points	Points are awarded for sites that have obtained discretionary public land use approvals (obtaining building permits is not necessary to score points).
	2.5 points	Projects that have completed environmental Phase I review.
	2.5 points	Project has secured an executed contract from General Contractor
	2.5 points	Developer certification of Pre-Qualified home buyers sufficient to absorb all units proposed.

FOR RENTAL DEVELOPMENT PROJECTS ONLY:

Projects that have received Agency development funding under CHDO within the last 5 years and are returning for additional gap financing will not be eligible for points in this category.

Public Land Use Approvals	5 points	Points are awarded for sites that have obtained discretionary public land use approvals (obtaining building permits is not necessary to score points).
Environmental	5 points	Projects that have completed environmental Phase I review.

VII. HOME FUND REPAYMENT**(MAXIMUM 20 POINTS)****FOR RENTAL DEVELOPMENT PROJECTS ONLY:**

All projects are required to repay HOME funds. Projects that demonstrate through the submitted proforma an ability to repay according to the below schedule:

HOME Fund Repayment	20 points	Repayment of HOME funds in 5 years
	15 points	Repayment of HOME funds in 10 years
	10 points	Repayment of HOME funds in 15 years
	5 points	Repayment of HOME funds in 20 years
	0 points	Repayment of HOME funds in more than 20 years

VIII. LOCAL GOVERNMENTAL SUPPORT**(MAXIMUM 20 POINTS)**

Local Government Support	20 points	Reduces project development costs by providing CDBG, HOME, or other governmental assistance/funding in the form of loan, grants, rental assistance, or a combination. Any one (1) of the items below may be provided:
		<i>Waiving water and sewer tap fees; or</i>
		<i>Waiving building permit fees; or</i>
		<i>Foregoing real property taxes during construction; or</i>
		<i>Contributing land for project development; or</i>
		<i>Providing below market rate construction and/or permanent financing; or</i>
		<i>Providing an abatement of real estate taxes</i>

IX. AFFORDABILITY**(MAXIMUM 10 POINTS)**

Affordability data realistically estimates principal, interest, taxes, and insurance for subject properties.

FOR HOMEOWNERSHIP DEVELOPMENT PROJECTS ONLY:

Affordability	10 points max	LHC will review the affordability data supplied by the applicant and will use it to calculate the income level to which the housing will be affordable. All housing assisted with HOME Funds must be affordable to families with incomes of 80% of the area median family income or below.
	<i>(10 points)</i>	<i>Homes will have sale prices that are affordable to families with incomes between 75% and 80% of the area median family income Without a development subsidy of greater than 15%.</i>
	<i>(8 points)</i>	<i>Homes will have sale prices that are affordable to families with incomes between 74% and 70% of the area median family income. Without a development subsidy of greater than 15%.</i>
	<i>(6 points)</i>	<i>Homes will have sale prices that are affordable to families with incomes between 69% and 60% of the area median family income. Without a development subsidy of greater than 15%.</i>

FOR RENTAL DEVELOPMENT PROJECTS ONLY:

Affordability	10 points max	LHC will review the affordability data supplied by the applicant and will use it to calculate the income level to which the housing will be affordable. All housing assisted with HOME funds must be affordable to families with incomes of 80% of the area median family income or below.
	<i>(4 points)</i>	<i>Homes will be affordable to families with incomes between 75% and 80% of the area median family income.</i>
	<i>(6 points)</i>	<i>Homes will be affordable to families with incomes between 74% and 70% of the area median family income.</i>
	<i>(8 points)</i>	<i>Homes will be affordable to families with incomes between 69% and 60% of the area median family income.</i>
	<i>(10 points)</i>	<i>Homes will be affordable to families with incomes between 59% and 40% of the area median family income.</i>

X. PRIORITY LOCATION (MAXIMUM 35 POINTS)

Small City or Rural Parish	15 points	Project is located in a small city or rural parish
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XI. OTHER LOCATION DOCUMENTATION**(3 POINTS EACH)**

Location		Points in this section are awarded when documented by maps to sufficient scale and detail.
	3 points	Points will be awarded to projects which include locations that are NOT on wetlands.
	3 points	Points will be awarded to projects that are located beyond 3000 feet of a railroad.
	3 points	Points will be awarded to projects located in airport noise zone contour below 65db.
	3 points	Points will be awarded for projects located within 1 mile of any one (1) Community Facility. Only 3 points will be awarded. Demonstration of proximity to multiple facilities will not result in additional points. <i>(e.g. Educational Facilities, Commercial Facilities, Health Care Facilities, Social Services, Grocery Store, Public Library, Public Transportation (shuttle services excluded), Hospital/Doctor Office or Clinic, Bank/Credit Union (must have live tellers), Post Office, Pharmacy/Drug Store, Louisiana Licensed (current) Adult/Child Day Care/After School Care).</i>
	3 points	The project will have no effect on a historic property or district.
Conversion or Rehab Only	3 points	Points will be awarded for projects when the buildings in the project do not contain lead based paint (proven either through an inspection report from a Certified Lead Paint Inspector or Risk Assessor or the building were built after 1978).
Conversion or Rehab Only	3 points	Points will be awarded for projects where the building does not contain asbestos.
Conversion or Rehab Only	3 points	Points will be awarded for projects where the cost of the conversion/rehab will be less than 50% of the current value of the building. (Must provide appraisal to establish before and after value)

XII. SAMPLE PRELIMINARY PLOT PLANS and ELEVATIONS**(MAXIMUM 10 POINTS)**

Plot Plans and Elevations		To receive points, photos of the neighboring properties must be submitted. Neighboring properties include all properties/structures on the same block including across the street. Photos must be labeled and indicated on a block map. Applicants will receive either 5 or 10 points depending on the submission.
	<i>(10 points)</i>	Sample floor plans and elevations must include design features that are consistent with existing neighborhood housing stock.
	<i>(5 points)</i>	Sample schematic designs must be consistent with existing neighborhood housing stock.

XIII. SMALL DISADVANTAGED BUSINESS PARTICIPATION**(MAXIMUM 5 POINTS)**

SDB Participation	5 points	Entities anticipated to be involved in implementing the project include certified vendors under Louisiana's Hudson Initiative and Veterans Initiative as well as Small Disadvantaged Businesses registered with the U.S. Small Business Administration
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